

REMARKS

This is a response to the Office Action mailed on March 15, 2006. Claims 1-46 are pending. Claims 1-18, 20-24, 27-40 and 42-46 have been amended. Claims 19 and 41 have been cancelled. In the Office Action, the drawings, the specification and some of the claims were objected to and all of the claims were rejected. The individual issues raised in the Office Action are addressed next. No new matter was added.

Specification

On page 2 of the Office Action, the disclosure was objected to for referring to non-existent Figures A and B, as well as failing to describe item 246 from Figure 4. Applicant has amended the specification and it is now believed to contain correct references to figures as well as proper descriptions of items found in the figures.

Drawings

On pages 2 and 3 of the Office Action, Figures 1-4 were objected to for incorrect spelling in labels, unlabeled lines and missing reference numbers. Applicant has enclosed replacement drawing sheets herewith that are believed to fully comply with the Examiner's objections and also be in compliance with 37 C.F.R. 1.121(d). For the Examiner's convenience, marked up replacement drawing sheets identifying the changes made to the original drawings are enclosed herewith.

Claim Objections

In paragraph 1 on page 4 of the Office Action, claims 19 and 41 were objected to as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant has cancelled claims 19 and 41 without prejudice to its rights of prosecuting one or more continuation applications directed to the subject matter of the cancelled claims.

Claim Rejections – 35 U.S.C. § 102

In paragraphs 1 and 2 on page 5 of the Office Action claims 19 and 41 were rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,154,730 to Adams, et al. ("Adams"). Applicant has cancelled claims 19 and 41 without prejudice to its rights of prosecuting one or more continuation applications directed to the subject matter of the cancelled claims.

Claim Rejections – 35 U.S.C. § 103

Starting with paragraph 5 on page 5 and ending with paragraph 3 on page 17 of the Office Action, claims 1-3, 5-13, 15-18, 20-23, 27-29, 31-36, 38-40 and 42-45 were rejected under 35 U.S.C. 103(a) as being unpatentable over Adams, in view of Pub. No. U.S. 2001/0042034 A1 to Elliott (“Elliott”).

Briefly, Adams discloses a “facility-based financing system” in which the construction of a facility (a stadium) or the acquisition of a team to play in the facility is financed by securitizing projected cash flow(s) expected to be generated by the facility or team. Contrary to the Examiner’s suggestion, Adams is not concerned with intangible assets.

Elliott discloses “a method of repeatedly securitizing intellectual property assets and facilitating investments therein.” (Elliott, Title). In particular, Elliott discloses means that can be used to value and securitize intellectual property. (Elliott, ¶12). Subsequently to the securitization, investors may acquire a property interest in the securitized intellectual property. (Elliott, ¶5).

Regarding claim 1, in paragraph 8 on page 6 of the Office Action, the Examiner admitted that Adams does not disclose “wherein grant of rights comprises default provisions” as recited in the claim. However, the Office Action alleged that Elliott discloses this limitation. Applicant respectfully disagrees with such reading of the Elliott reference.

Elliott discloses a financial transaction involving intangible assets. In particular, Elliott discloses that the initial owner of the intellectual property transfers title to the intellectual property to a separate entity. (Elliott, ¶20). To acquire the title in the intellectual property, the separate entity may receive an investment from one or more investors. (Elliott, ¶22). The separate entity then licenses the intellectual property to the initial owner and/or other entities in return for fixed future payments. (Elliott, ¶20). In return for their investment, the investors receive a portion of the fixed future payments. (Elliott, ¶23).

As best as applicant understands the argument in the Office Action, it alleged that Elliott’s disclosure of “...agreement having one or more specified future payments backed by rights sufficient to assure the parties purchasing the security that the payments will be made...” (Elliott, ¶5) meets the limitation of “wherein the grant of rights comprises . . . default provisions.” A closer reading of Elliot reveals, however, that “the one or more specified future payments backed by rights sufficient to assure the parties purchasing the security [i.e. investors] that the payments will be made” (supposedly understood as “default provisions”) are associated with the agreement between the separate entity and the investors. Elliott states that “the party providing the capital [i.e. an investor] has the ability to acquire a

property interest ... in the event that the specified future payments are not made according to the agreement.” (Elliott, ¶5). The Elliott’s default provision are created for the benefit of the investors and are associated with the transaction between the investors in the entity holding the title to the intellectual property. Elliot does not disclose (1) the transfer of title comprising default provisions or (2) transferring of rights to the intangible assets as a result of the agreement that has default provisions. In sharp contrast, claim 1 of the present application recites “granting the received rights to a first entity, in exchange for royalty payments, wherein the grant of rights comprises target performance and default provisions,” which Elliot simply does not disclose. Accordingly, Adams and Elliott, individually or in combination, do not disclose, teach or suggest “granting the received rights . . . wherein the grant of rights comprises target performance and default provisions,” and therefore claim 1 is patentable over the prior art at record.

As to claims 2, 3, 5-13 and 15-18, applicant respectfully notes that these claims are dependent on claim 1, and are thus patentable for the same reason as that claim.

Claim 20 recites “means for granting the received rights to a first entity, in exchange for royalty payments, wherein the grant of rights comprises target performance and default provisions,” which is not disclosed by either Adams or Elliott for the reasons discussed above in connection with claim 1.

Claim 21 recites “means for granting the ownership rights to an operating entity on behalf of the at least one separate legal entity, in exchange for royalty payments, wherein the grant of rights comprises target performance and default provisions” and is also patentable for the same reasons. Claims 22-24 that depend on claim 21 are therefore also patentable over Adams in view of Elliot.

As to claim 25, applicant respectfully disagrees with the assertion that the claim is unpatentable over Elliott. Elliott at least does not disclose, teach or suggest “wherein the document comprises at least two of the following: the identity of a legal entity designated to manage said at least one intangible asset to generate license revenues; the amount of license revenues to be generated from said at least one intangible asset over a pre-determined period of time; manufacturing and sourcing terms indicating obligations to manufacture and distribute products under a license to the rights of using said at least one intangible asset; and default provisions” as recited in claim 25. There is no disclosure or suggestion in Elliott concerning a document containing at least two items of information, as recited in the claim. In fact, Elliott’s disclosure contains ten instances of the word “document.” The only instance where Elliott arguably discloses the content of the document is as follows: “[w]hen

documents [55] are created that are accepted by the owner of the intellectual property and the investor, the program proceeds to the pooling trust sub-program [61]. Pooling trust sub-program [61] performs a series of pooling computations detailed at 2C on FIG. D.” (Elliott, ¶130). Clearly, contrary to the Office Action assertions, Elliott does not disclose “the document [that] comprises at least two of the following: the identity of a legal entity designated to manage said at least one intangible asset to generate license revenues; the amount of license revenues to be generated from said at least one intangible asset over a pre-determined period of time; manufacturing and sourcing terms indicating obligations to manufacture and distribute products under a license to the rights of using said at least one intangible asset; and default provisions,” as recited in claim 25. Accordingly claim 25 and its dependent claim 26 are patentable over Elliott.

Now turning to claim 27, the claim recites step (b) of “transferring assets corresponding to the provided computer estimate to a first special purpose legal entity in a manner that effectively removes the transferred assets from the lender’s bankruptcy estate” and step (c) of “effecting the transfer to rights in the at least one intangible asset of the business enterprise to at least one second special purpose legal entity, distinct from the first special purpose entity, in a manner that effectively removes the asset from the business enterprise’s bankruptcy estate.” The transferring of step (b) occurs between the lender and the first special purpose entity, while the transferring of step (c) occurs between the business enterprise and the second special purpose entity, distinct from the first special purpose entity. In Adams, however, the same special purpose entity is involved in both (1) receiving rights to sources of cash flows associated with the operation of the facility and (2) issuing securities using the received rights as collateral. Similarly, in Elliott the same separate entity is involved in both (1) acquiring the intellectual property, and (2) issuing securities to investors. Accordingly, step (c) “effecting the transfer to rights . . . to at least one second special purpose legal entity, distinct from the first special purpose entity . . .” is not disclosed in Adams, Elliott or their combination.

Similarly, claim 42 has two separate means: (b) means for transferring assets corresponding to the provided computer estimate to a first special purpose legal entity in a manner that effectively removes the transferred assets from the lender’s bankruptcy estate, and (c) means for effecting the transfer of rights in the at least one intangible asset of the business enterprise to at least one second special purpose legal entity, distinct from the first special purpose entity, in a manner that effectively removes the asset from the business enterprise’s bankruptcy estate.” Adams and Elliot, individually or in combination, fail to

disclose, teach or suggest two distinct special purpose entities, as recited in claim 42 for the reasons discussed above in connection with claim 27.

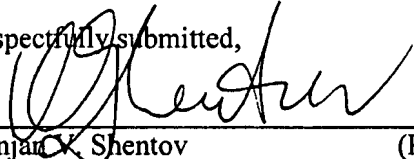
Accordingly, claims 27 and 42 and there respective dependent claims 28-40, and 43-46 are patentable over these prior art references.

Conclusion

In light of the above remarks, applicant respectfully requests that the Examiner reconsider this application with a view toward allowance. The Examiner is invited to call the undersigned attorney, if a telephone call could help resolve any remaining items.

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Respectfully submitted,



Ognjan V. Shentov 38,051
JONES DAY (Reg. No.)
222 East 41st Street
New York, New York 10017
(212) 326-3939